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**DEPARTMENT OF COMMERCE**

**International Trade Administration**

**[A-201-844]**

**Steel Concrete Reinforcing Bar from Mexico: Final Results of Antidumping Duty Administrative Review; 2017-2018**

**AGENCY:** Enforcement and Compliance, International Trade Administration, Department of Commerce.

**SUMMARY:** The Department of Commerce (Commerce) determines that sales of steel concrete reinforcing bar (rebar) from Mexico were made at below normal value during the period of review (POR) November 1, 2017 through October 31, 2018.

**DATES:** Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

**FOR FURTHER INFORMATION CONTACT:** Jonathan Hall-Eastman, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington DC 20230; telephone: (202) 482-1468.

**SUPPLEMENTARY INFORMATION:**

Background

On January 16, 2020, Commerce published the *Preliminary Results*.<sup>1</sup> We invited interested parties to comment on the *Preliminary Results*. For events subsequent to the

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<sup>1</sup> See *Steel Concrete Reinforcing Bar from Mexico: Preliminary Results of Antidumping Duty Administrative Review; 2017-2018*, 85 FR 2702 (January 16, 2020) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum.

*Preliminary Results*, see the Issues and Decision Memorandum.<sup>2</sup> Commerce conducted sales and cost verifications of Grupo Simec SAB de CV (Grupo Simec) from February 10, 2020 – February 14, 2020 and February 17, 2020 – February 21, 2020, respectively.<sup>3</sup> On April 8, 2020, we extended the deadline for these final results until July 14, 2019.<sup>4</sup> On April 24, 2020, Commerce tolled all deadlines in administrative reviews by 50 days.<sup>5</sup> On July 21, 2020, Commerce tolled all deadlines in administrative reviews by an additional 60 days.<sup>6</sup> The deadline for the final results of this review is now November 2, 2020.

### Scope of the Order

Imports covered by the order are shipments of steel concrete reinforcing bar imported in either straight length or coil form (rebar) regardless of metallurgy, length, diameter, or grade. The merchandise subject to review is currently classifiable under items 7213.10.0000, 7214.20.0000, and 7228.30.8010. The subject merchandise may also enter under other Harmonized Tariff Schedule of the United States (HTSUS) numbers including 7215.90.1000, 7215.90.5000, 7221.00.0017, 7221.00.0018, 7221.00.0030, 7221.00.0045, 7222.11.0001, 7222.11.0057, 7222.11.0059, 7222.30.0001, 7227.20.0080, 7227.90.6085, 7228.20.1000, and

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<sup>2</sup> See Memorandum, “Steel Concrete Reinforcing Bar from Mexico: Issues and Decision Memorandum for the Final Results of Antidumping Duty Administrative Review; 2017-2018,” dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

<sup>3</sup> See Memoranda, “Verification of the Sales Response of Grupo Simec and Constructed Export Sales of Simec USA in the 2017-18 Administrative Review of the Antidumping Duty on Steel Concrete Reinforcing Bar from Mexico,” dated April 16, 2020 (Sales Verification Report); and “Verification of the Cost Response of Grupo Simec in the 2017-18 Administrative Review of the Antidumping Duty Order on Steel Concrete Reinforcing Bar from Mexico,” (Cost Verification Report) dated June 5, 2020.

<sup>4</sup> See Memorandum, “Steel Concrete Reinforcing Bar from Mexico: Extension of Deadline for Final Results of Antidumping Duty Administrative Review,” dated April 8, 2020.

<sup>5</sup> See Memorandum, “Tolling of Deadlines for Antidumping and Countervailing Duty Administrative Reviews in Response to Operational Adjustments Due to COVID-19,” dated April 24, 2020.

<sup>6</sup> See Memorandum, “Tolling of Deadlines for Antidumping and Countervailing Duty Administrative Reviews,” dated July 21, 2020.

7228.60.6000. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise subject to the order is dispositive.<sup>7</sup>

#### Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this administrative review are addressed in the Issues and Decision Memorandum. A list of the issues that parties raised and to which we responded is attached to this notice as an Appendix. The Issues and Decision Memorandum is a public document and is on-file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/index.html>. The signed Issues and Decision Memorandum and the electronic versions of the Issues and Decision Memorandum are identical in content.

#### Changes Since the Preliminary Results

Based on our analysis of the comments received from parties and the results of Grupo Simec's verification, we have made changes to the margin calculations of Grupo Simec and Deacero S.A.P.I. de C.V. (Deacero). For Grupo Simec, we included the downstream sales from affiliates that did not pass the arm's-length test, incorporated updated information from our cost and sales verifications of Grupo Simec, and corrected an inadvertent programming error.<sup>8</sup> For Deacero, we corrected an inadvertent programming error.<sup>9</sup>

#### Final Results of the Review

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<sup>7</sup> See Issues and Decision Memorandum for a complete description of the Scope of the Order.

<sup>8</sup> See Memorandum, "Final Results Analysis Memorandum for Grupo Simec S.A.B. de C.V. (Grupo Simec); 2017 – 2018," dated concurrently with this memorandum (Grupo Simec Final Analysis Memorandum)

<sup>9</sup> See Memorandum, "Steel Concrete Reinforcing Bar from Mexico: Final Results Sales and Cost Memorandum for Deacero; 2017 – 2018," dated concurrently with this memorandum (Deacero Final Calculation Memorandum).

As a result of this review, Commerce calculated a weighted-average dumping margin that is 1.46 percent for Grupo Simec and a 7.12 percent margin for Deacero for the POR.

Therefore, consistent with its practice and the investigation methodology set forth in section 735(c)(5)(A) of the Tariff Act of 1930, as amended (the Act), Commerce assigned the weighted-average dumping margin calculated for Grupo Simec to the seven non-selected companies in these final results, as referenced below.

<b>Producer and/or Exporter</b>	<b>Weighted-Average Dumping Margin (percent)</b>
Deacero S.A.P.I. de C.V. <sup>10</sup>	7.12
Grupo Simec (Simec International 6 S.A. de C.V.; Orge S.A. de C.V.; Aceros Especiales Simec Tlaxcala, S.A. de C.V.; Fundiciones de Acero Estructurales, S.A. de C.V.; Operadora de Perfiles Sigosa, S.A. de C.V.; Simec International, S.A. de C.V.; Simec International 7, S.A. de C.V.; Grupo Chant, S.A.P.I. de C.V.; and Siderúrgicos Noroeste, S.A. de C.V.) <sup>11</sup>	1.46
Aceromex S.A.	5.54
Arcelor Mittal	5.54
ArcelorMittal Celaya	5.54
ArcelorMittal Cordoba S.A. de C.V.	5.54
ArcelorMittal Lazaro Cardenas S.A. de C.V.	5.54
Cia Siderurgica De California, S.A. de C.V.	5.54
Compania Siderurgica de California, S.A. de C.V.	5.54

<sup>10</sup> We note that there was also a request for review of DE ACERO SA. DE CV. However, the company's name is Deacero S.A.P.I. de C.V. Thus, we have not assigned a non-selected rate to DE ACERO SA. DE CV.

<sup>11</sup> In the 2014-2015 Review, Commerce collapsed Orge S.A. de C.V. (Orge), Compania Siderurgica del Pacifico S.A. de C.V. (Siderurgica Pacifico), Grupo Chant S.A.P.I. de C.V. (Chant), RRLC S.A.P.I. de C.V. (RRLC), Siderurgica del Occidente y Pacifico S.A. de C.V. (Siderurgica Occidente), Simec International 6 S.A. de C.V. (Simec 6), Simec International 7 S.A. de C.V. (Simec 7), and Simec International 9 S.A. de C.V. (Simec 9) into the single entity "Grupo Simec." See *Steel Concrete Reinforcing Bar from Mexico: Final Results of Antidumping Duty Administrative Review; 2014 – 2015*, 82 FR 27233 (June 14, 2017) (2014-2015 Review). In the 2016-2017 Review, Commerce collapsed AEST, Fundiciones de Acero Estructurales, S.A. de C.V. (FUNACE), Perfiles Comerciales Sigosa, S.A. de C.V. (Perfiles), and Operadora into the single entity "Grupo Simec," which included Simec 6 and Orge. See *Steel Concrete Reinforcing Bar from Mexico: Preliminary Results of Antidumping Duty Administrative Review; 2016–2017*, 83 FR 63622 (December 11, 2018), and Preliminary Decision Memorandum at 5; unchanged in *Steel Concrete Reinforcing Bar from Mexico: Final Results of Antidumping Duty Administrative Review; 2016–2017*, 84 FR 35599 (July 24, 2019) (2016-2017 Review).

In this administrative review, Commerce has collapsed Siderúrgicos Noroeste, S.A. de C.V. and Simec International with Simec 6, Orge, AEST, FUNACE, Operadora, Simec 7, and Chant in the single entity, "Grupo Simec." Consistent with the 2016-2017 Review, we find that Industrias CH is affiliated with Grupo Simec but Commerce is not collapsing the company into the single entity because it is not involved in the production or sale of subject merchandise. See Memorandum, "Affiliation and Collapsing Memorandum for Grupo Simec," dated January 9, 2020.

Grupo Villacero S.A. de C.V.	5.54
Siderurgica Tultitlan S.A. de C.V.	5.54
Talleres y Aceros, S.A. de C.V.	5.54
Ternium Mexico, S.A. de C.V.	5.54

#### Disclosure and Public Comment

We intend to disclose the calculations performed to parties in this proceeding within five days after publication of these final results in the *Federal Register*, in accordance with section 751(a) of the Act and 19 CFR 351.224(b).

#### Assessment Rates

Commerce shall determine and U.S. Customs and Border Protection (CBP) shall assess antidumping duties on all appropriate entries.<sup>12</sup> For any individually examined respondent whose weighted-average dumping margin is above *de minimis*, we calculated importer-specific *ad valorem* duty assessment rates based on the ratio of the total amount of dumping calculated for the importer's examined sales to the totaled entered value of those same sales in accordance with 19 CFR 351.212(b)(1). Upon issuance of the final results of this administrative review, if any importer-specific assessment rates calculated in the final results are above *de minimis* (i.e., at or above 0.5 percent), Commerce will issue instructions directly to CBP to assess antidumping duties on appropriate entries. Where either the respondent's weighted-average dumping margin is zero or *de minimis*, or an importer-specific assessment rate is zero or *de minimis*, we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties.

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<sup>12</sup> In these final results, Commerce applied the assessment rate calculation method adopted in *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification*, 77 FR 8101 (February 14, 2012).

In accordance with Commerce's "automatic assessment" practice,<sup>13</sup> for entries of subject merchandise during the POR produced by each respondent for which it did not know that its merchandise was destined for the United States, we will instruct CBP to liquidate unreviewed entries at the all-others rate if there is no rate for the intermediate company(ies) involved in the transaction.

We intend to issue assessment instructions directly to CBP 15 days after publication of the final results of this review.

#### Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the notice of final results of administrative review for all shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication of the final results of this administrative review, as provided by section 751(a)(2)(C) of the Act: (1) the cash deposit rate for respondents noted above will be the rate established in the final results of this administrative review, except if the rate is less than 0.50 percent and, therefore, *de minimis* within the meaning of 19 CFR 351.106(c)(I), in which case the cash deposit rate will be zero; (2) for merchandise exported by producers or exporters not covered in this administrative review but covered in a prior segment of the proceeding, the cash deposit rate will continue to be the company-specific rate published for the most recently completed segment of this proceeding; (3) if the exporter is not a firm covered in this review, a prior review, or the original less-than-fair-value (LTFV) investigation, but the producer is, the cash deposit rate will be the rate established for the most recently completed segment of this proceeding for the producer of the subject merchandise; and (4) the cash deposit rate for all other producers or exporters will continue to be 20.58 percent, the

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<sup>13</sup> For a full discussion of this clarification, see *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

all-others rate established in the LTFV investigation.<sup>14</sup> These cash deposit requirements, when imposed, shall remain in effect until further notice.

#### Notification to Importers

This notice also serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during the POR. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of doubled antidumping duties.

#### Administrative Protective Order

This notice also serves as a reminder to parties subject to administrative protective orders (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3), which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of the return/destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

#### Notice to Interested Parties

We are issuing and publishing this notice in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221.

Dated: November 2, 2020.

**Jeffrey I. Kessler,**

*Assistant Secretary for Enforcement and Compliance.*

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<sup>14</sup> See *Steel Concrete Reinforcing Bar from Mexico: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances*, 79 FR 54967 (September 15, 2014).

## **Appendix**

### **List of Topics Discussed in the Final Issues and Decision Memorandum**

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Changes Made Since the Preliminary Results
- V. Discussion of the Issues

#### *Comments Concerning Deacero*

- Comment 1: Whether Constructed Export Price (CEP) Offset Should Be Granted
- Comment 2: Whether Commerce Should Recalculate Credit Expense
- Comment 3: Whether the Highest U.S. Freight Should Be Applied to All U.S. Sales
- Comment 4: Whether to Disallow Deacero's Scrap Offset Calculation
- Comment 5: Whether Section 232 Duties Should be Deducted from Constructed Export Price

#### *Comments Concerning Grupo Simec*

- Comment 6: Whether Commerce Should Apply Total AFA to Grupo Simec
- Comment 7: Whether Commerce Double-Counted Depreciation Expenses When Applying the Transactions Disregarded Rule to Grupo Simec
- Comment 8: Whether Commerce Should Accept Grupo Simec's Minor Corrections
- Comment 9: Whether Commerce Should Alter the Margin Calculation Program to Distinguish Between Prime and Non-Prime Sales
- Comment 10: Whether Commerce Should Include Grupo Simec and Sigosa's Downstream Home Market Sales in the Final Margin Program
- Comment 11: Whether Commerce Should Recalculate Grupo Simec's Home Market Credit Expense

#### VI. Recommendation

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